

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 17263
[REDACTED],)	
)	DECISION
Petitioner.)	
)	

On February 13, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for taxable years 1994 through 2001 in the total amount of \$11,943.

The taxpayer filed a timely appeal. He did not request a hearing and did not submit additional information. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The Bureau launched an investigation into the taxpayer's income sources and amounts when Tax Commission records showed the taxpayer, a long time resident of Idaho, had not filed Idaho tax returns and appeared to have a filing requirement for the taxable years 1994 through 2001.

The Bureau requested and received a transcript of the taxpayer's federal income records from the Internal Revenue Service (IRS). The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077. The records showed no federal individual income tax returns had been filed.

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency --
Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery

service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau issued a Notice of Deficiency Determination. In response to the deficiency notice, the taxpayer sent the Bureau a letter asking for a redetermination. A fully executed federal Form 8332 allowing the taxpayer to claim an exemption for his son for tax years 1994 and 1995 was attached to the letter. The taxpayer explained that he was having difficulty contacting his son's mother in order to obtain the necessary signed forms for the additional years. He asked for an extension of time to allow him that opportunity.

The Bureau responded by letter wherein the taxpayer's protest was acknowledged and his request for a delay was granted. However, at the end of the stay, no returns, signed forms, or other information had been received from the taxpayer. After a period of time without response from the taxpayer, the file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter advising him of his appeal rights.

Idaho Code § 63-3030 explains the income tax act:

63-3030. Persons required to make returns of income. (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

- (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code.
- (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of

two thousand five hundred dollars (\$2,500);

The taxpayer met the requirements for filing Idaho income tax returns for 1994 through 2001. Yet, he has not filed Idaho returns. Nothing has been submitted that would cast doubt on the Bureau's determination, which was calculated after considering income information reported to the IRS and the records retained by the Tax Commission and the Idaho Department of Labor. No Idaho withholding was identified. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The Tax Commission accepts the federal Form 8332 showing the signature of his child's mother as evidence of the taxpayer's right to claim one additional exemption for taxable years 1994 and 1995.

WHEREFORE, the Notice of Deficiency Determination dated February 13, 2003, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1994	\$ 425	\$106	\$276	\$ 807
1995	500	125	281	906
1996	975	244	468	1,687
1997	1,161	290	456	1,907
1998	1,266	317	399	1,982
1999	766	192	186	1,144
2000	906	227	147	1,280
2001	1,253	313	107	<u>1,673</u>
			TOTAL DUE	<u>\$11,386</u>

Interest is computed through September 15, 2003.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2003.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this ____ day of _____, 2003, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.

[Redacted]